

California Water Commission

# **Groundwater Trading Concepts Interview Highlights**

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# Purpose

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- Action 3.6 of the Water Resilience Portfolio.
  - Conduct an inclusive public dialog on groundwater trading as described by Action 3.6 of the Water Resilience Portfolio
  - Gather information from knowledgeable stakeholders on:
    - Methods to shape well-managed groundwater trading programs
    - Issues or concerns
    - Potential roles of State Government
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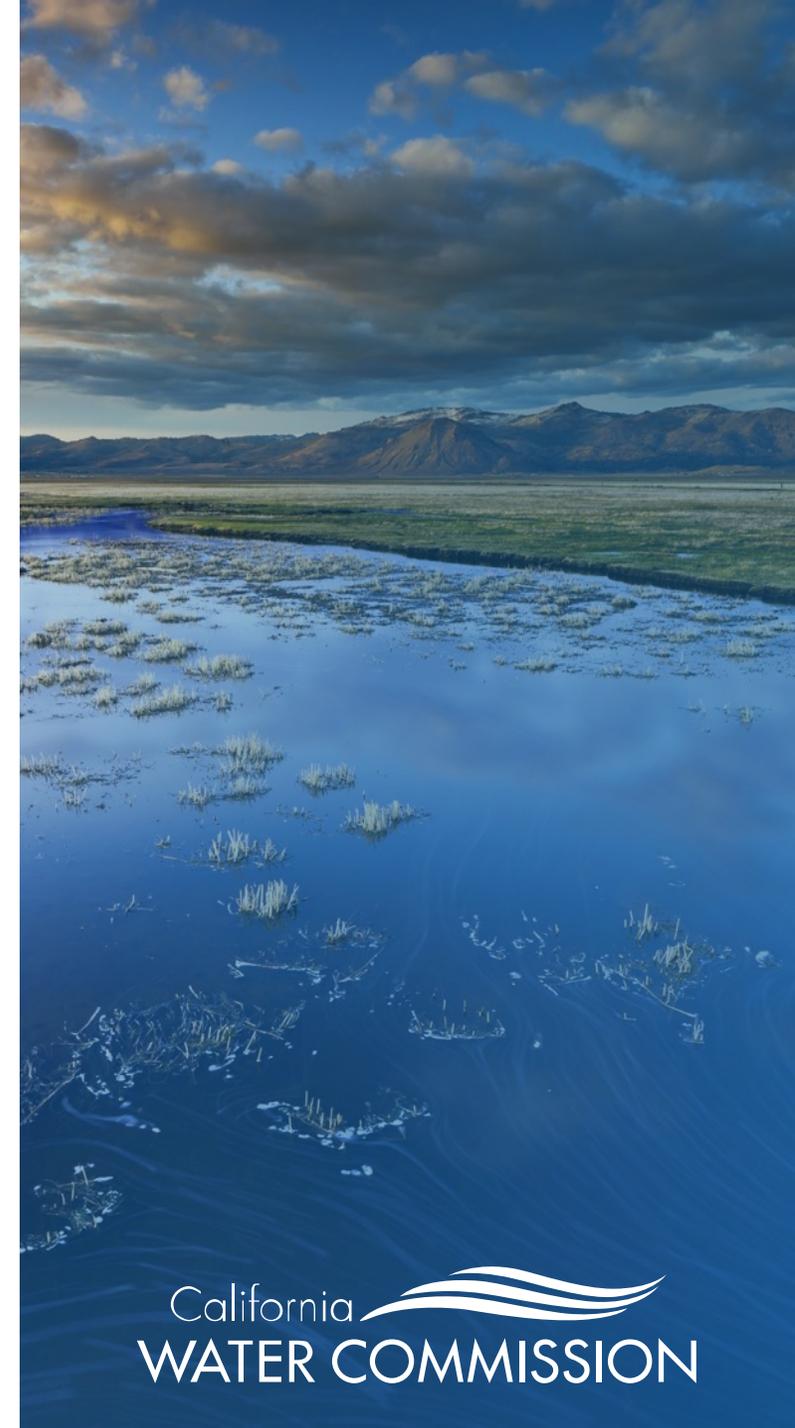


## Interview Quick Facts

Timeframe	Method	Numbers	Structure
<ul style="list-style-type: none"><li>• Timeframe: July 29- August 26, 2021</li><li>• 90 minutes (4 Weeks)</li></ul>	<ul style="list-style-type: none"><li>• Initial Email</li><li>• Availability Email</li><li>• Confirm delivery</li><li>• Follow-up Waves</li></ul>	<ul style="list-style-type: none"><li>• Contacted = 177</li><li>• Participated = 86</li><li>• Not Available/ Declined = 27</li><li>• No response = 39</li></ul>	<ul style="list-style-type: none"><li>• 13 groups</li><li>• 8 Patterned Questions*</li></ul>

# Interviewee Sectors

- Tribal representatives
- Environmental interests
- Water Associations
- GSAs
- Agricultural interests
- State Agencies
- Federal Agencies
- Academia
- Economists
- Utilities
- Water Banks
- Wholesalers
- Community Based Organizations
- Wildlife Managers/  
Landowners\*\*



## Question Topics

- General Knowledge
- Scale
- Opportunities and Barriers
- Pressing Considerations for Those at Risk (including GDEs)
- Perceptions, Point of View
- Conditions, Rules, Information
- State Role
- Outreach



# Cross-cutting Themes

# Groundwater Trading is Part of a Portfolio

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- Part of the broader SGMA conversation
- NOT a silver bullet
- Starts with good GSP/water budget/water accounting/allocations





# Water Rights

- What exactly is being traded
- How does this work legally?

# Data is Key



- Technology
- Quantity
- Access
- Transparency
- Location
- Performance
- Accountability



# Gaming the System

- Data Manipulation
- Covert Use
- Cropping Behaviors



## Person to Person Institutional

- A necessary precursor to any groundwater trading
- Historical views and relationships may present a barrier
- Trust building may extend anticipated project timelines

# Pilots, Scale

- Groundwater trading is a continual learning process which requires flexibility
- A smaller, simple scale allows for flexibility
  - Geographically
  - Temporally



# Requests

- Centralized information hub
- Process for education



## The State Has a Role to Play



### OPTIONS

- Convener
- Provider of Guidance
- Technical/Financial Assistance
- Compiler of Data
- **Oversight**

# Overview of Responses

What is happening with groundwater trading?  
What parties are engaged with this work?

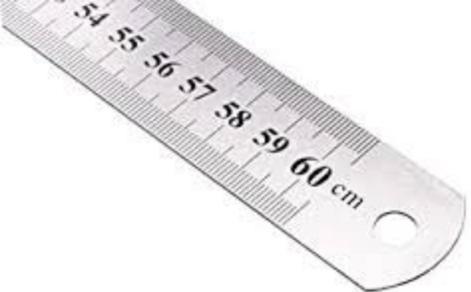
- Variety of Things Going On -  
No Centralized Source of  
Information
- **Creating concerns and fear**
- **Questions of trust**
- **Market is not the silver  
bullet**
- Adjudication



# Questions About

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- Water rights
- Surface/groundwater interface
- Driving use to access market
- Consistency with SMCs and thresholds
- Participation and Tribes
- DATA access/ reliability/ transparency



## At what scale should groundwater trading occur? Within districts? GSAs?

- Start Small (GSA-GSA combos)
- Dependent on hydrology
- Boundaries don't match realities
- Cross Boundary coordination necessary
- May be limited by other ordinances



What are the most pressing considerations related to ecosystems, farms, and communities? Are there other potential impacts of groundwater trading that should be considered?

Starts with Allocations to  
Tthem

Self Determination  
/Authentic Engagement/  
Everyone not at the Table

Accessibility -Technical  
Support, Financial

Status of Renters/  
Absentee Owners

Mistrust of Government

Surface GW Integration -  
Crop value economics  
dependent on surface  
water availability

Unintended Consequences

Management of SMC/  
Undesirable Results

Water Quality, Air  
Pollution / Invasives

How do you feel about groundwater trading? Do you see trading as a viable management strategy for your community/district/GSA/basin?



- Potential jurisdictional issues (Statutory Authority)
- Positive
- Negative
- Shiny Object
- Concerns about Haves/ Have Nots

What needs to be in place for groundwater trading to proceed? Conditions?  
Processes? Information? Resources?



# State Role





Outreach Suggestions |

# Validation-Economist Group

Local, national, and international economists

9 Questions

- Governance
- Scale of Trading
- Market power
- Can impacts be predicted?
- Oversight and Rules
- Safeguards
- Rules for changing rules
- Other considerations, questions



A group of about ten people are gathered on a rocky path next to a concrete structure with a metal railing. The structure appears to be a viewing platform or a small bridge over a stream. The background is a lush, wooded area with tall trees and dense vegetation. The scene is brightly lit, suggesting a sunny day.

# Next Steps

- Explore
  - Overarching themes
  - points of diversion
- Roadshow
- Workshops